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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 000055

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SUBJECT: HONDURAS: LAST TRANCHE OF CABINET REASSIGNMENTS
BRING MORE OF THE SAME

REF: A. TEGUCIGALPA 0027

[1](#)B. TEGUCIGALPA 0006

Classified By: Charge d'affaires a.i., James Williard

[1](#)1. (C) Summary. On January 14, the last tranche of cabinet reassignments were announced by President Manuel "Mel" Zelaya's administration (ref a). Most noteworthy was the re-assignment of Angel Edmundo "Mundo" Orellana Mercado, previously Minister of Governance, as the new Foreign Minister. Orellana will be replaced at the Ministry of Governance by Victor Meza, who has been working as a presidential advisor and political analyst. Former FM Milton Jimenez Puerto will become the president's legal advisor, a position that was vacated when Enrique Flores Lanza took over the Ministry of the Presidency. Jorge "Coque" Rosa will continue as head of the national telecommunications company, Hondutel, where he has been provisional director since Marcelo Chimirri was charged with abuse of authority in November; Roberto Babum will take over the National Port Authority (ENP); Fredis Cerrato will become Minister of Trade and Industry, where he had been a Vice Minister; and businessman Tomas Baquero will go to the Ministry of Environment and Natural Resources (SERNA). These changes strengthen Zelaya's control over his cabinet and greatly reduce the chances of substantive differences being aired publicly. End summary.

Ministry of Foreign Affairs

[1](#)2. (C) Former Minister of Governance Orellana is well known and respected by both the diplomatic and the international communities. He previously served as Honduran Ambassador to the United Nations and as the first Attorney General of Honduras. He is independent and will not necessarily bend to pressure from the President, but Zelaya seems poised to accept this in exchange for bringing increased prestige to an institution that has suffered greatly under Milton Jimenez's tenure. Career diplomats complain the MFA is filled with hundreds of activists who have no degrees and no experience, which hurt its reputation internationally. This diminished reputation, coupled with the YouTube video of Jimenez swinging at police in a drunken stupor, made it obvious that the MFA needed a change.

Ministry of Governance

¶3. (C) Political advisor and analyst Victor Meza's move to the MOG is much more surprising. Meza has little experience in public administration, and has a reputation for being an extreme leftist. He is an educated intellectual who studied at Patrice Lumumba University in Moscow, but he began to moderate his extreme positions and eventually served as advisor to several Liberal administrations, most notably under Carlos Flores. Meza lost his visa in the days when being a member of the communist party was an ineligibility, but gained it back when that ineligibility was discontinued and he began to work constructively with the Embassy. Rumor has it that Orellana, Paty Rodas' ex-brother-in-law, had been brought to the MOG to help Rodas in her work with the municipalities, but when he proved independent, Zelaya moved him to the MFA. Some analysts worry that he can wreak havoc in this position, by moving both resources and people in the municipalities, but many question his abilities. Ex-President of the Central Bank, Gabriela Nunez, told us that Meza is not well known and will not be able to muster support within the municipalities, specifically with the mayors.

Legal Advisor

¶4. (C) Following his drunken fiasco of December 30 (ref b), FM Milton Jimenez submitted an "irrevocable resignation." Following "protests" that most say were arranged by the administration, talk around town was that Zelaya was going to keep him in the position. As Jimenez is a lawyer by training, giving him the position of Legal Advisor, which does not carry responsibility over a ministry with all its issues and personnel, was a good "out" for Zelaya. He wanted

TEGUCIGALP 00000055 002 OF 002

to keep Jimenez on his team and found this option to be an acceptable alternative. Jimenez remains in Zelaya's closest circle of advisors.

Hondutel, ENP, Trade and Industry, and SERNA

¶5. (C) The remaining assignments all seemed to follow the pattern of the first tranche (ref a) to put into place persons who are either loyal or whom Zelaya assumes would be compliant. All are intelligent, but as Nunez told PolCouns, none of them have substantial experience in public administration. Outgoing Trade and Industry Minister Rosa, a Zelaya loyalist, was serving as interim Hondutel Director and had publicly stated he wanted to stay on. Rosa is intelligent and politically savvy but is unproven as a manager. His relations with the Embassy have been cordial, but he is at times two-faced. The assignment of Babum to the ENP is interesting because Babum is a respected businessman, but again, he has strong personal ties to Zelaya and was very much involved with Zelaya's business dealings. Fredis Cerrato, who will move up from Vice Minister to Minister at Trade and Industry, is seen as competent and professional; however, coming from the domestic side of the ministry, he has no experience in international negotiations. Tomas Baquero, a successful San Pedro Sula businessman, expressed "surprise" at his nomination. He is not well known to the Embassy community.

Comment

¶6. (C) We look forward to working with Orellana at the MFA and believe it will improve relations on the technical level. Although some are worried about Meza's influence at the MOG and his ability to help Rodas, we do not think he will be powerful enough to make a substantial difference in her campaign. (Although popular with some campesinos, most analysts agree Rodas has virtually no chance in a presidential race -- her rhetoric is too obscure for most educated people, and she has little charisma for the remaining masses.) Cerrato is an unknown quantity at Trade and Industry, and we expect he will rely heavily on trade

negotiator Melvin Redondo on issues related to WTO and CAFTA implementation, as will we. The changes strengthen Zelaya's control over his cabinet; we do not expect to see any public disagreements over anything of substance from this group.

End Comment.

WILLIARD